

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 5/14/2013	(3) CONTACT/PHONE Nikki J. Schmidt (805) 781-5496	
(4) SUBJECT Request to approve a two year agreement in the total amount of \$400,000 with Multi Marketing Corporation to provide marketing services on behalf of the Cambria local area of the San Luis Obispo County Tourism Business Improvement District (CBID).			
(5) RECOMMENDED ACTION It is recommended that your Board approve a two year agreement in the total amount of \$400,000 with Multi Marketing Corporation to provide marketing services on behalf of the Cambria Local Area of the San Luis Obispo County Tourism Business Improvement District (CBID).			
(6) FUNDING SOURCE(S) Business Improvement District assessment	(7) CURRENT YEAR FINANCIAL IMPACT \$200,000 (April 1, 2013 to March 31, 2014)	(8) ANNUAL FINANCIAL IMPACT \$200,000 (April 1, 2014 to March 31, 2015)	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Gregory J. Schulte, Assist. CAO			
(18) SUPERVISOR DISTRICT(S) District 2 -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 5/14/2013

SUBJECT: Request to approve a two year agreement in the total amount of \$400,000 with Multi Marketing Corporation to provide marketing services on behalf of the Cambria Local Area of the San Luis Obispo County Tourism Business Improvement District (CBID).

## **RECOMMENDATION**

It is recommended that your Board approve a two year agreement in the total amount of \$400,000 with Multi Marketing Corporation to provide marketing services on behalf of the Cambria Local Area of the San Luis Obispo County Tourism Business Improvement District (CBID).

## **DISCUSSION**

The ordinance establishing the San Luis Obispo County Tourism Business Improvement District (CBID) was originally approved by the Board in May 2009 and subsequently renewed in May since then. The ordinance (Section 3.09.050) provides for an assessment on all lodging businesses (hotels, motels, bed and breakfasts, vacation rentals), existing and future, within the boundaries of the CBID based upon 2% of the paid rent charged by the operator per occupied room per night for all transient occupancies. Fifty percent (50%) of the assessment is to be used for marketing and promoting the entire CBID area; the other 50% is to be used to promote tourism in the Local Area from where the funds are collected (Section 3.09.080).

In accordance with the ordinance, the Board, at the recommendation of the CBID Advisory Board, on December 7, 2010, designates the local areas of the unincorporated business improvement district to be:

- Avila Beach
- Arroyo Grande unincorporated/San Luis Obispo unincorporated
- Cambria
- Cayucos
- Los Osos/Morro Bay unincorporated
- Nipomo/Oceano
- San Simeon

The Cambria Local Area Advisory Board was formed on February 1, 2011 when the Board approved appointments to the Board according to the provisions of Government Code Section 54970 (Maddy Book).

The CBID, on behalf of the Cambria Local Area, released a 24 month marketing partnership request for proposal (RFP) on October 1, 2012. The marketing agencies were asked to submit proposals that focused on how they would promote the Cambria Local Area. Ten (10) proposals were submitted. Those initial proposals were reviewed and ranked by the Cambria Local Area Advisory Board resulting in five (5) agencies being selected to be interviewed. Two (2) agencies were asked to present their marketing plan tactics, success measurements and plan implementation details to the Cambria Local Area Advisory Board on February 12, 2013.

At their February 18, 2013 meeting, the Cambria Local Area Advisory Board selected Multi Marketing Corporation as Cambria's tourism business improvement district marketing firm for the next 24 months beginning April 1, 2013. On February 27, 2013, the CBID Advisory Board voted to recommend the use of Cambria local area funds for this purpose. The marketing plan and scope of work, included as Exhibit A of the agreement, was approved by the Cambria Local Area Advisory Board at their March 20, 2013 meeting.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Cambria Local Area Advisory Board chose Multi Marketing Corporation as the agency to develop and implement a two year marketing plan for the Cambria local area. Administrative Office staff provides support and acts as the liaison between the County, the CBID and local area advisory boards. County Counsel reviewed the agreement for form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

As noted above, the CBID is funded by a 2% assessment of the rent charged per occupied room per night from lodging businesses (hotels, motels, bed and breakfasts, and vacation rentals) within the CBID. The ordinance requires that 1% of the 2% assessment be spent in the local area that it is collected from. The agreement with Multi Marketing Corporation will be funded completely out of assessments specifically collected from the Cambria local area and no County General Fund dollars will be used. As of December 31, 2012, the Cambria local area fund has \$526,659 available for use in carrying out activities of the local area. Multi Marketing Corporation will be paid a total of \$400,000 over a two year period beginning April 1, 2013 to provide the services as outlined in marketing plan and scope of work attached as Exhibit A of the agreement.

#### **RESULTS**

The County has not established performance criteria beyond the legal contractual obligations to expend the funds for the identified purposes. The onus is on the designated contractors that are selected by the Cambria Local Area Advisory Board to meet the expectations of the lodging business owners paying the assessment within the Cambria local area. The Cambria Local Advisory Board will track the performance of Multi Marketing Corporation during the term of this agreement.

#### **ATTACHMENTS**

1. Multi Marketing Corporation agreement